



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**FOR IMMEDIATE RELEASE
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May Revenues

Nashville – On an accrual basis May is the tenth month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$592.5 million, an increase of \$6.4 million or 1.10% over last year.

Revenues were \$11.9 million more than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an overcollection of \$5.8 million and the four other funds overcollected by \$6.1 million for the month.

Sales tax collections decreased by 1.00% in May which is \$3.6 million less than the estimate. For the year sales tax collections have increased only \$649,000 or 0.02%. The budgeted increase was 3.07%.

Franchise and excise taxes combined were \$33.3 million for the month, a decrease of \$348,000 or -1.03% for the month. Collections were \$1.6 million less than the estimate.

For the month inheritance tax overcollected by \$6.1 million and privilege taxes by \$4.8 million.

Gasoline taxes and motor vehicle registrations were \$6.5 million more than the budgeted estimates of \$89.3 million.

Year-to-date collections for ten months are \$364.1 million less than the budgeted estimates for all funds and \$335 million less than the general fund estimate.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 102nd General Assembly in June of last year.

<p align="center">REVENUE COLLECTIONS</p> <p align="center">MAY, 2002, AND 10 MONTHS YEAR-TO-DATE</p>

May Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$452,544,000	\$458,316,000	\$5,772,000
Highway Fund	54,399,000	58,369,000	3,970,000
Sinking Fund	19,596,000	19,570,000	(26,000)
City & County Fund	51,486,000	53,681,000	2,195,000
Earmarked Fund	2,542,000	2,519,000	(23,000)
Total	\$580,567,000	\$592,455,000	\$11,888,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$5,244,104,000	\$4,909,116,000	(\$334,988,000)
Highway Fund	493,299,000	489,597,000	(3,702,000)
Sinking Fund	196,433,000	195,493,000	(940,000)
City & County Fund	572,519,000	546,354,000	(26,165,000)
Earmarked Fund	25,795,000	27,527,000	1,732,000
Total	\$6,532,150,000	\$6,168,087,000	(\$364,063,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	May		Change	Percent
	2001	2002		
Franchise & Excise	\$33,686,000	\$33,338,000	-\$348,000	-1.03%
Income	7,585,000	4,509,000	-3,076,000	-40.55%
Inheritance & Estate	7,348,000	11,416,000	4,068,000	55.36%
Gasoline	49,199,000	51,328,000	2,129,000	4.33%
Petroleum Special	5,194,000	5,170,000	-24,000	-0.46%
Tobacco	8,124,000	6,777,000	-1,347,000	-16.58%
Beer	1,528,000	1,400,000	-128,000	-8.38%
Motor Vehicle Registration	21,676,000	23,951,000	2,275,000	10.50%
Motor Vehicle Title	962,000	945,000	-17,000	-1.77%
Mixed Drink	3,112,000	2,913,000	-199,000	-6.39%
Business	433,000	290,000	-143,000	-33.03%
Privilege	25,665,000	29,893,000	4,228,000	16.47%
Gross Receipts	1,050,000	430,000	-620,000	-59.05%
TVA - In Lieu of Tax Payments	16,130,000	16,544,000	414,000	2.57%
Alcoholic Beverage	2,570,000	2,425,000	-145,000	-5.64%
Sales and Use	389,637,000	385,746,000	-3,891,000	-1.00%
Motor Vehicle Fuel	12,034,000	15,311,000	3,277,000	27.23%
Severance	96,000	69,000	-27,000	-28.13%
Coin-operated Amusement	0	0	0	0.00%
Total	\$586,029,000	\$592,455,000	\$6,426,000	1.10%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - May		Change	Percent
	2000-2001	2001-2002		
Franchise & Excise	\$938,299,000	\$761,576,000	-\$176,723,000	-18.83%
Income	191,481,000	142,208,000	-49,273,000	-25.73%
Inheritance & Estate	74,245,000	82,916,000	8,671,000	11.68%
Gasoline	473,454,000	472,334,000	-1,120,000	-0.24%
Petroleum Special	51,605,000	51,097,000	-508,000	-0.98%
Tobacco	67,860,000	67,964,000	104,000	0.15%
Beer	12,981,000	13,151,000	170,000	1.31%
Motor Vehicle Registration	177,005,000	182,357,000	5,352,000	3.02%
Motor Vehicle Title	8,810,000	8,806,000	-4,000	-0.05%
Mixed Drink	28,569,000	29,678,000	1,109,000	3.88%
Business	3,634,000	3,969,000	335,000	9.22%
Privilege	142,362,000	165,245,000	22,883,000	16.07%
Gross Receipts	17,032,000	16,310,000	-722,000	-4.24%
TVA - In Lieu of Tax Payment:	162,111,000	166,796,000	4,685,000	2.89%
Alcoholic Beverage	25,131,000	25,245,000	114,000	0.45%
Sales and Use	3,851,421,000	3,852,070,000	649,000	0.02%
Motor Vehicle Fuel	122,283,000	125,432,000	3,149,000	2.58%
Severance	946,000	921,000	-25,000	-2.64%
Coin-operated Amusement	26,000	12,000	-14,000	-53.85%
Total	\$6,349,253,000	\$6,168,087,000	(\$181,166,000)	-2.85%

Table 3
August - May Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (105,400,000)	\$ (5,700,000)	\$ (111,100,000)
Inheritance Tax	3,400,000	0	3,400,000
TVA Payment	900,000	600,000	1,500,000
Gasoline & Motor Vehicle Registration	(900,000)	(5,800,000)	(6,700,000)
Other Taxes	(24,100,000)	(18,200,000)	(42,300,000)
Sub-Total	\$ (126,100,000)	\$ (29,100,000)	\$ (155,200,000)
F & E Taxes	(208,900,000)	0	(208,900,000)
Total	\$ (335,000,000)	\$ (29,100,000)	\$ (364,100,000)

May Revenue Report

(in millions)

May is the 10th month of fiscal year 2001-02 on an accrual basis.

TOTAL TAX COLLECTIONS May 2002, \$592.5

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$580.6	\$11.9	2.0%

TOTAL TAX COLLECTIONS Y-T-D May 2002, \$6,168.1

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$6,532.2	-\$364.1	-5.6%